

**Statement of Rep. Henry A. Waxman  
Ranking Minority Member  
Committee on Government Reform  
Business Meeting on H.R. 5005  
July 11, 2002**

Mr. Chairman, I agree we need homeland security legislation. It is clear that federal departments are not working together as they should to protect our nation. The recent revelations of missed signals and the failure to communicate among our intelligence agencies illustrate how serious this problem is.

Unfortunately, the bill proposed by the President has serious flaws. In fact, I think it may well cause more problems than it solves.

Two days ago, I joined with Rep. David Obey, the Ranking Member of the Appropriations Committee, in sending a letter to Governor Ridge outlining a number of serious concerns with the bill. I ask unanimous consent that this letter become part of the record.

One major problem is that the President's proposal would transfer to the new Department a vast array of responsibilities that have nothing to do with homeland security, such as administering the National Flood Insurance Program, cleaning up oil spills at sea, and eradicating pests like the boll weevil. Giving the new Department dozens of unrelated responsibilities will bloat the size of the bureaucracy and dilute the new Department's counterterrorism mission.

The President's proposal also lacks an effective mechanism to coordinate the activities of the many federal agencies with major homeland security functions. According to the Administration, there are 153 different agencies, departments, and offices now involved with homeland security. Here is the chart provided by the Administration that portrays the current situation.

Guess what happens after the new Department is created? As the second chart illustrates, after the creation of the new Department, this number actually will increase. On the new organizational chart, there will be 160 agencies, departments, or offices with security roles.

We are creating more bureaucracy, not less.

Yesterday, I received confirmation of another serious problem with the bill: Its cost. The Administration has asserted that the creation of this new Department "would not 'grow' government." They have stated that any costs that may be incurred will be paid for by "eliminating redundancies inherent in the current structure."

Since the Administration provided no information on cost, Chairman Burton and I asked the nonpartisan Congressional Budget Office to provide an analysis. They concluded that implementing the President's reorganization proposal will cost the American taxpayers an astounding sum: \$3 billion. I ask unanimous consent to include this CBO analysis in the record.

If this money were used at the front lines of fighting terrorism – instead of paying for a new bureaucracy – think how much better off we might be.

Our job on the Committee is to make the flawed proposal from the Administration better. This is not an easy process. We are laboring under severe time constraints. To take one example, we received the Chairman's substitute – which is twice the length of the President's bill – less than 24 hours ago. That makes careful consideration difficult.

Nonetheless, I believe we will make some significant progress today.

The President's original proposal included broad exemptions from our nation's most basic "good government" laws. The legislation allowed the new Secretary to waive all provisions of our civil service laws, including those that prohibit patronage, protect whistleblowers, provide for collective bargaining rights, and ensure health and retirement benefits. A similar approach was taken with procurement and the management of real property. Under the proposal, the Secretary did not have to comply with cornerstone procurement principles, such as open and competitive bidding. Moreover, basic government in sunshine laws, such as the Freedom of Information Act and the Federal Advisory Committee Act, have been limited in their application to the new Department.

Today, however, we will be able to report a bill that addresses many of these issues. The civil service protections for federal workers will be restored. The bill we report will strike the provision that would have exempted the new Department from the Federal Advisory Committee Act. We will also be able to fix other provisions to ensure that the Chief Financial Officers Act and the Clinger-Cohen Act apply to the new Department.

Moreover, if an amendment that I have negotiated with Rep. Davis is adopted, the new Department will be directed to manage its real property in accordance with the bipartisan property bill adopted by the Committee earlier this year, which will be a major step forward.

The Chairman's substitute takes a very different approach to procurement than the Administration's proposal. This is a positive development, but further improvements in the procurement provisions are needed. I also hope we will be able to eliminate – not expand – the FOIA loophole in the bill.

If we are able to do these things – and adopt other important amendments – we will have made a significant contribution to the process. We should be proud of this. But our work will not be over.

The bill will still have major flaws and too much bureaucracy. These problems will need to be addressed by the select committee and on the floor.